

**Houma Area Convention  
and Visitors Bureau**

**Annual Financial Report  
As of and for the  
Year Ended December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/3/11

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Annual Financial Report  
As of and for the Year Ended December 31, 2010**

**Table of Contents**

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	<b>1 - 2</b>
<b>Management's Discussion and Analysis</b>	<b>3 - 7</b>
<b>Financial Statements</b>	
Statement of Net Assets	8
Statement of Activities	9
Balance Sheet - Governmental Fund Type - General Fund	10
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Type - General Fund	11
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Assets	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund to the Statement of Activities	12
Combined Balance Sheet - All Fund Types	13
Notes to Financial Statements	14 - 22
<b>Required Supplemental Information</b>	
Budgetary Comparison Schedule	23
<b>Supplemental Information</b>	
Schedule of Expenditures - General Fund	24
<b>Special Reports of Certified Public Accountants</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing         Standards</i>	25 - 26
<b>Schedule of Findings and Responses</b>	<b>27 - 28</b>
<b>Management's Corrective Action Plan for Current Year Findings</b>	<b>29</b>
<b>Schedule of Prior Findings and Responses</b>	<b>30</b>

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have audited the accompanying financial statements of the Houma Area Convention and Visitors Bureau (the Bureau), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

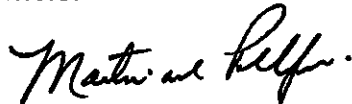
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Houma Area Convention and Visitors Bureau as of December 31, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2011, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Commissioners  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 7 and the budgetary comparison schedule on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information Schedule of Expenditures – General Fund on page 24 is presented for the purpose of additional analysis and is not a required part of the financial statements of the Houma Area Convention and Visitors Bureau. This information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements as a whole.



April 14, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2010**

As management of the Houma Area Convention and Visitors Bureau (HACVB), we offer readers of HACVB's financial statements this narrative overview and analysis of the financial activities of HACVB for the year ended December 31, 2010.

**FINANCIAL HIGHLIGHTS**

- Houma Area Convention and Visitors Bureau's assets exceeded its liabilities by \$3,864,067 (net assets) as of December 31, 2010.
- Revenues exceeded expenditures by \$667,055 during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to HACVB's financial statements. The Houma Area Convention and Visitors Bureau's financial statements consist of the following components:

**Statement of Net Assets.** This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

**Statement of Activities.** Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

**Balance Sheet – Governmental Fund.** This statement presents the HACVB's assets, liabilities, and fund balance for its general fund only.

**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund.** Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in net assets.

**Combined Balance Sheet – All Fund Types.** This statement presents the Houma Area Convention and Visitors Bureau's assets and liabilities for all fund types, with the difference of assets and liabilities reported as fund balance. The fluctuation in fund balance can be used as an indication of whether the financial position of HACVB is improving or deteriorating. This statement does not include capital assets or long term obligations.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2010**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)**

**Notes to the Financial Statements.** The accompanying notes provide additional information essential to a full understanding of the data provided in the financial statements.

**BASIC FINANCIAL ANALYSIS**

As noted earlier, fund balance may serve over time as a useful indicator of an entity's financial position. In the case of HACVB, assets exceeded liabilities by \$3,864,067 at the close of the most recent year, December 31, 2010. The largest portion of HACVB's total assets is cash (45%), investments (30%), and net fixed assets (22%).

**HACVB's Net Assets**

	<b>December 31,</b>	
	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
Current assets	\$ 3,123,360	\$ 2,437,364
Capital assets, net accumulated depreciation	858,000	873,464
Other assets	75	75
<b>TOTAL ASSETS</b>	<b>\$ 3,981,435</b>	<b>\$ 3,310,903</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 55,997	\$ 25,843
Certificate of indebtedness		
Due within one year	27,440	26,390
Due in more than one year	33,931	61,658
<b>TOTAL LIABILITIES</b>	<b>117,368</b>	<b>113,891</b>
<b>NET ASSETS</b>		
Investment in capital assets (net of related debt)	796,629	785,416
Unrestricted	3,067,438	2,411,596
<b>Total net assets</b>	<b>3,864,067</b>	<b>3,197,012</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,981,435</b>	<b>\$ 3,310,903</b>

- Capital assets, which were reported net of accumulated depreciation, account for 22% of the total assets of HACVB for the most recent year ended.
- Investment in capital assets accounts for 21% of net assets.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2010**

**BASIC FINANCIAL ANALYSIS (Cont.)**

During the year HACVB's net assets increased by \$667,055. The elements of the increase are as follows:

**HACVB's Changes in Net Assets**

	<u>For the Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Taxes:		
Parish	\$ 1,062,010	\$ 709,513
State	687,690	694,316
Miscellaneous:		
Interest earned	5,068	7,305
Grants	-	10,331
Other	185	141
Total operating revenues	<u>1,754,953</u>	<u>1,421,606</u>
<b>EXPENSES</b>		
Personal services	345,554	313,776
Supplies and materials	14,853	21,124
Other services and charges	668,319	923,968
Repairs and maintenance	29,243	30,771
Depreciation	26,928	29,250
Total operating expenses	<u>1,084,897</u>	<u>1,318,889</u>
<b>OTHER EXPENSE</b>	<u>3,001</u>	<u>3,780</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 667,055</u>	<u>\$ 98,937</u>

As indicated above, net assets increased by \$667,055. This increase is primarily attributable to tax revenues received exceeding operating expenses.



**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2010**

**CAPITAL ASSETS**

As of December 31, 2010, the Bureau had \$1,213,489 invested in capital assets.

	<u>2010</u>	<u>2009</u>
Land	\$ 306,313	\$ 306,313
Buildings	712,533	704,733
Auto and trucks	29,861	29,861
Office equipment	164,782	162,939
Subtotal	<u>1,213,489</u>	<u>1,203,846</u>
Less accumulated depreciation	<u>(355,489)</u>	<u>(330,382)</u>
	<u><u>\$ 858,000</u></u>	<u><u>\$ 873,464</u></u>

**CERTIFICATE OF INDEBTEDNESS**

A certificate of indebtedness was incurred during the year ended December 31, 2004 for the purchase of land. The total amount paid on this certificate during 2010 was \$26,677 resulting in an ending balance of \$61,371. Interest paid in the governmental funds was \$2,798 for 2010. More detailed information about the certificate of indebtedness is presented in the notes to the financial statements.

**ORIGINAL VS. REVISED BUDGET**

As a matter of practice, the Bureau amends its budget once during the fiscal year. For the year ended December 31, 2010, the budget was amended in December 2010. The budget for revenues was increased as follows:

<b>Revenues</b>	
Total revenues revised budget	\$ 1,853,155
Total revenues original budget	<u>896,280</u>
	<u><u>\$ 956,875</u></u>

The Bureau's revised budgeted revenues exceeded the actual revenues by \$98,202, a variance of 5.3%.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2010**

**ORIGINAL VS. REVISED BUDGET (Cont.)**

**Expenditures**

The Bureau's budget for expenditures was decreased as follows:

Total expenditures revised budget	\$ 1,108,683
Total expenditures original budget	1,545,670
	<u>\$ (436,987)</u>

The Bureau's revised budgeted expenditures exceeded the actual expenditures by \$9,572, a variance of 0.86%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of HACVB's finances for all those with such an interest. Call the HACVB office (985-868-2732) attention Sharon Alford, Executive Director, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

## **FINANCIAL STATEMENTS SECTION**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Statement of Net Assets**

December 31, 2010

	<b>Government Activities</b>
<b>ASSETS</b>	
Cash	\$ 1,802,244
Investments	1,187,143
Taxes receivable	58,645
Due from Terrebonne Parish Consolidated Government	70,132
Prepaid insurance	5,196
Security deposits	75
Fixed assets	1,213,489
Accumulated depreciation	<u>(355,489)</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,981,435</u></b>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 55,997
Certificate of indebtedness	
Due within one year	27,440
Due in more than one year	<u>33,931</u>
<b>TOTAL LIABILITIES</b>	<b><u>117,368</u></b>
<b>NET ASSETS</b>	
Investment in general fixed assets (net of related debt)	796,629
Unrestricted	<u>3,067,438</u>
<b>TOTAL NET ASSETS</b>	<b><u>3,864,067</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,981,435</u></b>

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Statement of Activities**

**For the Year Ended December 31, 2010**

	<b>Government Activities</b>
<b>REVENUES</b>	
Taxes:	
Parish	\$ 1,062,010
State	687,690
Miscellaneous:	
Interest earned	5,068
Other	<u>185</u>
<b>TOTAL REVENUES</b>	<u><b>1,754,953</b></u>
<b>EXPENSES</b>	
Economic development and assistance:	
Personal services	345,554
Supplies and materials	14,853
Other services and charges	668,319
Repairs and maintenance	29,243
Depreciation	<u>26,928</u>
<b>TOTAL EXPENSES</b>	<u><b>1,084,897</b></u>
<b>OTHER EXPENSES</b>	
Interest expense	2,798
Loss on disposal of fixed assets	<u>203</u>
<b>TOTAL OTHER EXPENSES</b>	<u><b>3,001</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>667,055</b>
<b>NET ASSETS</b>	
Beginning of year	<u><b>3,197,012</b></u>
End of year	<u><u><b>\$ 3,864,067</b></u></u>

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Balance Sheet  
Governmental Fund Type  
Governmental Fund**

**December 31, 2010**

**ASSETS**

Cash	\$ 1,802,244
Investments	1,187,143
Taxes receivable	58,645
Due from Terrebonne Parish Consolidated Government	70,132
Prepaid insurance	5,196
Security deposits	<u>75</u>

**TOTAL ASSETS**

**\$ 3,123,435**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 55,997
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**FUND BALANCE**

Fund balance - unreserved	<u>3,067,438</u>
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**TOTAL LIABILITIES AND  
FUND BALANCE**

**\$ 3,123,435**

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance-  
Governmental Fund Type  
General Fund**

**For the Year Ended December 31, 2010**

**REVENUES**

**Taxes:**

Parish	\$ 1,062,010
State	687,690

**Miscellaneous:**

Interest earned	5,068
Other	<u>185</u>

<b>TOTAL REVENUES</b>	<u><b>1,754,953</b></u>
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**EXPENSES**

**Economic development and assistance:**

Personal services	345,554
Supplies and materials	14,853
Other services and charges	668,319
Repairs and maintenance	29,243
Capital expenditures	11,668
Debt service	<u>29,474</u>

<b>TOTAL EXPENSES</b>	<u><b>1,099,111</b></u>
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<b>CHANGE IN FUND BALANCE</b>	<b>655,842</b>
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**FUND BALANCE**

Beginning of year	<u>2,411,596</u>
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End of year	<u><u><b>\$ 3,067,438</b></u></u>
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The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Assets**

December 31, 2010

Total fund balance - total governmental funds	\$ 3,067,438
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets of \$1,213,489, net of accumulated depreciation of \$355,489, are not financial resources and, therefore, are not reported in the funds.	858,000
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Outstanding certificate of indebtedness balance of \$61,371 is not a financial resource but increases long-term liabilities in the Statement of Net Assets and is not reported in the funds.	<u>(61,371)</u>
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Net assets of governmental activities	<u><u>\$ 3,864,067</u></u>
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**Reconciliation of the Statement of Revenue, Expenditures, and  
Changes in Fund Balance – Governmental Fund to the  
Statement of Activities**

For the Year Ended December 31, 2010

Change in fund balance - governmental fund	\$ 655,842
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund reports capital outlays as expenditures whereas in the statement of activities, these costs are depreciated over their estimated useful lives.

Depreciation expense	(26,928)	
Capital outlays	11,668	
Loss on disposal of fixed assets	<u>(203)</u>	(15,463)

Governmental fund reports principal debt repayments as expenditures, which are not presented on the Statement of Activities.	<u>26,676</u>
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Change in net assets of governmental activities	<u><u>\$ 667,055</u></u>
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The accompanying notes are an integral part of this statement.



**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Combined Balance Sheet –  
All Fund Types**

**December 31, 2010**

	<u>Governmental Fund Type General Fund</u>	<u>Fiduciary Fund Type Agency</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
Cash	\$ 1,802,244	\$ -	\$ 1,802,244
Investments	1,187,143	-	1,187,143
Taxes receivable	58,645	14,661	73,306
Due from Terrebonne Parish Consolidated Government	70,132	28,265	98,397
Prepaid Insurance	5,196	-	5,196
Security deposits	75	-	75
<b>TOTAL ASSETS</b>	<u><u>\$ 3,123,435</u></u>	<u><u>\$ 42,926</u></u>	<u><u>\$ 3,166,361</u></u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 55,997	\$ -	\$ 55,997
Due to Houma-Terrebonne Civic Center	-	42,926	42,926
<b>Total liabilities</b>	55,997	42,926	98,923
<b>FUND BALANCE</b>			
Fund balance - unreserved	<u>3,067,438</u>	<u>-</u>	<u>3,067,438</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 3,123,435</u></u>	<u><u>\$ 42,926</u></u>	<u><u>\$ 3,166,361</u></u>

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Houma Area Convention and Visitors Bureau (the Bureau) was created and established by Terrebonne Parish Police Jury Ordinance No. 1977 on May 3, 1977, authorized by Act 19 of the Louisiana Legislature of 1975 (R.S. 33-4574-3574,3). The Bureau was formed for the purpose of promoting tourism within the Parish of Terrebonne. The Bureau is composed of nine members, known as commissioners, who are authorized to do all things necessary for the promotion, advertisement, and publication of information relating to tourist attractions within its jurisdiction. The Bureau may also sue and be sued, accept grants or donations of every type, and make capital improvements for the purpose of obtaining federal funds. However, the Bureau may not exercise any function that results in competition with local retail businesses or enterprises. The Bureau is funded by a 4.0% tax on the occupancy of hotel rooms, motel rooms, and overnight camping facilities located within the boundaries of Terrebonne Parish and taxes collected by the state on the Bureau's behalf.

The accounting and reporting policies of the Bureau conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting policies:

**A. REPORTING ENTITY**

Because the Consolidated Government appoints the governing board and can therefore impose its will, the Houma Area Convention and Visitors Bureau was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability.

The accompanying financial statements present information only on the funds maintained by the Bureau and do not present information on the consolidated government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Bureau has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

**B. METHOD OF ACCOUNTING**

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets and a statement of revenues, expenses and changes in net assets. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

**Restricted** – This component of net assets consists of constraints placed on net asset use though external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net assets** – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

The financial statements of the Bureau are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

**C. FUND TYPES**

The Bureau reports the following fund types:

**Governmental Funds**

Governmental Funds are those through which governmental functions of the Bureau are financed. The acquisition, use and balances of the Bureau's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Bureau:

**General Fund** - The General Fund is the general operating fund of the Bureau. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**Fiduciary Funds**

Fiduciary funds account for assets held by the Bureau in a trustee or agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is the Fiduciary Fund of the Bureau:

**Agency Fund** – The Agency Fund is used by the Bureau to receive and transfer funds allocated to the Houma-Terrebonne Civic Center based on a 1% increase to the parish occupancy tax effective April 1, 1999.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Hotel/motel sales and use taxes are recorded as revenues in the month due. Parish tax revenues are collected by the Terrebonne Parish Sales and Use Tax Department, remitted to the Terrebonne Parish Consolidated Government, and subsequently sent to the Bureau. December taxes were remitted to the Terrebonne Parish Sales and Use Tax Department in January and paid to the Bureau in February. The state tax revenues are collected by the Treasurer of the State of Louisiana and remitted to the Bureau on a quarterly basis. Miscellaneous revenues are recorded as revenues when received in cash by the Bureau because they are generally not measurable until actually received.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. ENCUMBRANCES**

The Bureau does not utilize encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

**F. OPERATING BUDGETARY DATA**

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the Bureau's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budget was amended once during the year.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**G. BAD DEBTS**

The financial statements of the Bureau contain no allowance for bad debts. Uncollectible amounts due for taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Bureau.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**H. CASH AND CASH EQUIVALENTS**

The Bureau considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

**I. INVESTMENTS**

Investments are stated at cost, which approximates market.

**J. CAPITAL ASSETS**

Capital assets are presented on the Statement of Net Assets.

Depreciation of all fixed assets is computed on the straight-line basis. Estimated useful lives of property and equipment are as follows:

Office equipment	5 - 7 years
Automobiles	5 years
Building	7 - 39 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

**K. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the Bureau primarily relate to fixed assets' useful lives.

**L. MEMORANDUM ONLY – TOTAL COLUMNS**

The total column on the combined financial statements is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**M. COMPENSATED ABSENCES**

Full-time employees may accrue up to thirty days of vacation time, which begins to accrue after six months of employment. After an employee's sixth month anniversary date, an employee will be granted 6 days of vacation time and, thereafter, will accrue one day at the end of each full calendar month of service. Accrued and earned vacation will be paid at the resignation or termination of an employee. The amount of accumulated vacation benefits as of December 31, 2010 was \$19,733.

After ninety days of employment, full-time employees are eligible for one day of sick leave per month of employment through the remainder of the first year of employment. Employees will receive ten days of paid sick leave per year for all subsequent years. Unused sick leave may accumulate up to thirty days. Sick leave is not a vested benefit and employees will not receive compensation for unused sick leave at the time of termination or departure from the Bureau.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Bank Deposits:**

Under state law, the Bureau may deposit funds within a fiscal agent bank organized under the laws of State of Louisiana, the laws of another state in the Union, or the laws of the United States Treasury.

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balance of deposits is as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 1,818,175	\$ 1,802,244
Certificates of deposit	34,011	34,011
Totals	<u>\$ 1,852,186</u>	<u>\$ 1,836,255</u>

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)**

Custodial credit risk is the risk that in the event of a bank failure, the Bureau's deposits may not be returned to it. The Bureau has a written policy for custodial credit risk. As of December 31, 2010, \$1,460,339 of the Bureau's bank balance of \$1,852,186 was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Bureau's name, except for \$303,494, which was uninsured and under collateralized.

Except for the \$303,494 mentioned above, as of December 31, 2010, cash was adequately collateralized in accordance with state law by federal deposit insurance and securities held by an unaffiliated bank for the account of the Bureau. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Investments:**

State statutes authorize the Bureau to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Bureau's investment policy limits investments to securities with maturity dates less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Bureau's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Bureau's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Bureau will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)**

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2010 amounted to \$1,153,132 and are classified on the Statement of Net Assets as "Investments".

A reconciliation of deposits and investments as shown on the Statement of Net Assets is as follows:

Reported amount of deposits	\$ 1,836,255
Reported amount of investments	<u>1,153,132</u>
Total	<u>\$ 2,989,387</u>
Cash	\$ 1,802,244
Investments	<u>1,187,143</u>
Total	<u>\$ 2,989,387</u>



**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 3 – CHANGES IN FIXED ASSETS**

A summary of changes in fixed assets follows:

	Balance January 1, 2010	Additions	Retirements	Balance December 31, 2010
Automobiles	\$ 29,861	\$ -	\$ -	\$ 29,861
Office furniture and equipment	162,939	3,868	(2,025)	164,782
Building	704,733	7,800	-	712,533
Land	306,313	-	-	306,313
	1,203,846	11,668	(2,025)	1,213,489
Less accumulated depreciation	(330,383)	(26,928)	1,822	(355,489)
Totals	<u>\$ 873,463</u>	<u>\$ (15,260)</u>	<u>\$ (203)</u>	<u>\$ 858,000</u>

**NOTE 4 – COMPENSATION OF BOARD MEMBERS**

As set forth in the Bureau's by-laws, the Board serves without compensation.

**NOTE 5 – DEFERRED COMPENSATION PLAN**

The Bureau established an IRC Section 457 Deferred Compensation Plan on April 18, 2001. Employees are allowed to contribute the lessor of 33 1/3% of includible compensation or \$16,500. The Bureau has elected to make employer matching funds available to those employees who have completed one year of active service. The Bureau made matching contributions to the plan for the year ended December 31, 2010 in the amount of \$13,316.

**NOTE 6 – CERTIFICATE OF INDEBTEDNESS**

On April 1, 2004, the Bureau signed a certificate of indebtedness of \$250,000 to purchase land. The agreement includes monthly principal and interest payments of \$2,591, an interest rate of 3.69%, and a maturity date of April 1, 2013. The outstanding balance on this certificate of indebtedness as of December 31, 2010 is \$61,371. Maturities of long-term debt are as follows:

December 31,	Principal	Interest	Total
2011	\$ 27,440	\$ 1,804	\$ 29,244
2012	28,470	774	29,244
2013	5,461	28	5,489
Total	<u>\$ 61,371</u>	<u>\$ 2,606</u>	<u>\$ 63,977</u>

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2010**

**NOTE 7 – OPERATING LEASES**

The Bureau leases two vehicles under non-cancelable leases for 36 months which require monthly lease payments totaling \$990. One lease expired on May 14, 2010 and the other will expire on March 1, 2011. Rent expense under these leases was \$8,415 for the year ended December 31, 2010.

Future minimum lease payments are \$1,485, which will be paid in 2011.

**NOTE 8 – BP HORIZON DRILLING RIG EXPLOSION**

As a result of the British Petroleum Horizon drilling rig explosion, millions of barrels of oil leaked into the Gulf of Mexico on April 26, 2010. BP workers assigned to post-spill duty caused increased occupancy rates in the tri-parish area hotels resulting in higher revenue for the Houma Area Convention and Visitors Bureau. Management believes such revenue will decline as BP workers are reassigned from the area.

**NOTE 9 – POST-EMPLOYMENT BENEFITS**

The Bureau does not offer post-retirement benefits to their employees.

**NOTE 10 – RISK MANAGEMENT**

The Bureau is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the Bureau carries commercial insurance or other insurance for the losses to which it is exposed. The Bureau's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure and claims experience. The premium for auto liability is based on claims experience, vehicle type, and mileage.

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through April 14, 2011, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Budgetary Comparison Schedule  
Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Revised Budget
				Over/(Under)
<b>REVENUES</b>				
Parish taxes	\$ 435,000	\$ 1,159,135	\$ 1,082,010	\$ (97,125)
State taxes	400,000	689,435	687,690	(1,745)
Interest earned	6,000	4,400	5,068	668
Grants	51,360	-	-	-
Other	3,920	185	185	-
<b>TOTAL REVENUES</b>	<b>896,280</b>	<b>1,853,155</b>	<b>1,754,953</b>	<b>(98,202)</b>
<b>EXPENDITURES</b>				
<u>Personal Services</u>				
Salaries	260,000	239,803	259,592	19,789
Group insurance	55,000	53,336	53,270	(66)
Workers comp insurance	2,500	496	496	-
Pension	18,000	13,300	13,316	16
Payroll taxes	20,000	18,873	18,880	7
Total personal services	355,500	325,808	345,554	19,746
<u>Supplies and Materials</u>				
Office supplies	10,000	9,843	7,575	(2,268)
Postage	14,000	7,772	7,278	(494)
Total supplies and materials	24,000	17,615	14,853	(2,762)
<u>Other Services and Charges</u>				
Marketing	396,500	440,274	431,539	(8,735)
Bank charges	750	690	690	-
Sales expense	131,000	88,008	82,270	(5,738)
General insurance	10,000	10,359	10,475	116
Tourism development cooperative	206,000	43,805	40,525	(3,280)
Professional fees	95,000	15,897	13,681	(2,216)
Public relations	27,500	9,350	2,750	(6,600)
Dues and subscriptions	20,000	19,647	15,372	(4,275)
Sineage	50,000	-	-	-
Storage rental	2,500	2,565	2,565	-
Automobile	30,380	24,315	24,936	621
Building	21,000	19,100	20,197	1,097
Computer	31,500	21,957	19,455	(2,502)
Training & professional development	26,000	1,800	3,280	1,480
Miscellaneous	5,000	1,825	584	(1,241)
Total other services and charges	1,053,130	699,592	668,319	(31,273)
Repairs and maintenance	48,040	38,309	29,243	(9,066)
Debt service	30,000	26,400	29,474	3,074
Capital expenditures	35,000	959	11,668	10,709
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,545,670</b>	<b>\$ 1,108,683</b>	<b>\$ 1,099,111</b>	<b>\$ (9,572)</b>

See Independent Auditor's Report.

## **SUPPLEMENTAL INFORMATION**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Supplemental Information Schedule -  
Schedule of Expenditures - General Fund  
For the Year Ended December 31, 2010

**ECONOMIC DEVELOPMENT AND ASSISTANCE**

**Personal Services**

Salaries	\$ 259,592
Insurance	53,766
Payroll taxes	18,880
Pension	13,316
Total personal services	<u>345,554</u>

**Supplies and Materials**

Office supplies	7,575
Postage	7,278
Total supplies and materials	<u>14,853</u>

**Other Services and Charges**

Advertising	514,101
Tourism development cooperative	40,525
Computer	19,455
General insurance	18,420
Dues and subscriptions	15,372
Professional fees	13,681
Telephone	10,951
Utilities	9,246
Automobile	8,576
Lease expense-vehicle	8,415
Training & professional development	3,280
Rent-storage	2,565
Special events	2,458
Bank charges	690
Miscellaneous	306
Printing	278
Total other services and charges	<u>668,319</u>

**Repairs and maintenance**

29,243

**Capital expenditures**

11,668

**Debt Service**

Principal	26,676
Interest	2,798
Total debt service	<u>29,474</u>

**TOTAL ECONOMIC DEVELOPMENT  
AND ASSISTANCE**

\$ 1,089,111

See Independent Auditor's Report.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have audited the financial statements of the Houma Area Convention and Visitors Bureau (the Bureau), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2010, and have issued our report thereon dated April 14, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant



Board of Directors  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

deficiency in internal control over financial reporting. This item is listed as 10-03. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and responses as items 10-01 and 10-02.

The Bureau's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Bureau's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, Board of Commissioners, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



April 14, 2011

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Schedule of Findings and Responses  
For the Year Ended December 31, 2010**

**Section I – Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Houma Area Convention and Visitors Bureau.
2. One significant control deficiency (see finding 10-03) was noted during the audit of the financial statements. This significant control deficiency was not considered a material weakness.
3. Two instances of noncompliance (see findings 10-01 and 10-02) required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued.

**Section II – Financial Statement Findings**

**Compliance**

**10-01**

**Statement of Condition:** The Bureau did not amend its budget when a 5% unfavorable variance in revenues occurred.

**Criteria:** Louisiana Revised Statutes 39:1310 and 1311 require governmental entities to adopt a budget amendment if there is a 5% unfavorable variance in revenues or expenditures.

**Effect of Condition:** The Bureau was not in compliance with state budgetary law.

**Cause of Condition:** The management of the Bureau did amend the budget once during the year, but revenues fluctuated at year end causing a 5.29% unfavorable variance.

**Recommendation:** We recommend that the Bureau continue to monitor its actual results versus budgeted amounts and amend its budget in accordance with state budgetary law.

**10-02**

**Statement of Condition:** The Bureau's cash deposits were under collateralized at one of its financial institutions during the month of December 2010.

**Criteria:** State law requires that deposits of all political subdivisions be fully collateralized at all times.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Schedule of Findings and Responses  
For the Year Ended December 31, 2010**

**Effect of Condition:** The Bureau was not in compliance with state law as related to bank deposits.

**Cause of Condition:** At December 31, 2010, a portion of the Bureau's cash deposits was uninsured and under collateralized.

**Recommendation:** The management of the Bureau should contact its fiscal agent when a significant deposit is to be made to ensure that deposits are fully collateralized at all times. As the fiscal agent monitors deposits versus collateralization only at the beginning of each month, management should adopt procedures whereby the monitoring of cash deposits, and related collateral, are more frequently performed to ensure that cash deposits are fully collateralized at all times.

**Section III – Internal Control Findings**

**10-03**

**Statement of Condition:** A significant control deficiency in the Bureau's internal control.

**Criteria:** In our consideration of internal control, we noted that the size of the Houma Area Convention and Visitors Bureau's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

**Effects of Condition:** The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

**Cause of Condition:** The size of the Houma Area Convention and Visitors Bureau and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

**Recommendation:** The Board of Directors of the Houma Area Convention and Visitors Bureau should closely monitor the day-to-day activities of the Bureau.

**Response:** The management of the Houma Area Convention and Visitors Bureau agrees with this finding.

**Questioned Costs:** \$ -0-

**Section IV – Findings and Questioned Costs – Major Federal Award Program Audit**

This section is not applicable.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Management's Corrective Action Plan for Current Year Findings  
For the Year Ended December 31, 2010**

The contact person for all corrective actions noted below is Ms. Sharon Alford, Executive Director.

**Section I – Internal Control and Compliance**

**No budget amendment**

Condition: The Bureau did not amend its budget upon a 5% unfavorable variance in revenues during the year in accordance with state budgetary law.

Recommendation: We recommend that the Bureau continue to monitor its actual results versus budgeted amounts and amend its budget in accordance with state budgetary law.

Planned Action: The Bureau will implement the recommendation as detailed above.

**Under Collateralization of Cash Deposits**

Condition: The Bureau's cash deposits were under collateralized at one of its financial institutions during the month of December 2010.

Recommendation: The management of the Bureau should contact its fiscal agent when a significant deposit is to be made to ensure that deposits are fully collateralized at all times. As the fiscal agent monitors deposits versus collateralization only at the beginning of each month, management should adopt procedures whereby the monitoring of cash deposits, and related collateral, are more frequently performed to ensure that cash deposits are fully collateralized at all times.

Planned Action: The Bureau will implement the recommendation as detailed above.

**Inadequate Internal Control**

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of the Bureau should closely monitor the day-to-day activities of the Bureau.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Bureau.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Schedule of Prior Findings and Responses  
For the Year Ended December 31, 2010**

Note: The prior findings all relate to the December 31, 2009 audit engagement.

**Section I – Internal Control and Compliance Material to the Financial Statements**

**Inadequate Internal Control**

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of the Organization should closely monitor the day-to-day activities of the Organization.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization.

Status: The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. As such, the Board will continue to perform the recommendation.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

**Under collateralization of Cash Deposits**

Condition: The Bureau's cash deposits were under collateralized at one of its financial institutions during the month of November 2009.

Recommendation: The management of the Bureau should contact its fiscal agent and have sufficient securities pledged at all times to fully collateralize all cash deposits in excess of FDIC coverage. Also, management should adopt procedures whereby the monitoring of cash deposits, and related collateral, are periodically performed to ensure that cash deposits are fully collateralized at all times.

Planned Action: The Bureau will contact its fiscal agent and have sufficient securities pledged at all times to fully collateralize all cash deposits.

Status: Unresolved. The Organization implemented the recommendation, but an instance of under collateralization occurred in 2010. See current year finding 10-02.